

**MBA (FT)/MBA (IB)/MBA (PT) DEGREE III SEMESTER EXAMINATION NOVEMBER 2014****SMS 2304/SMI 2301/SMP 2305 INTERNATIONAL FINANCE
(2012 Scheme)**

Time: 3 Hours

Maximum Marks: 50

PART A(Answer *ALL* questions)

(5 x 2 = 10)

1. What is currency arbitrage?
2. What do you understand by floating exchange rate system?
3. Differentiate between direct and indirect quotes in foreign exchange.
4. What is meant by hedging of exposure?
5. Define currency swap.

PART B(Answer *ANY FIVE* questions)

(5 x 4 = 20)

6. Examine the factors influencing exchange rate and their impact on national economy.
7. Discuss in detail the features of foreign exchange market.
8. Define option and discuss about the different types of options available.
9. List out and discuss the factors affecting international investment.
10. Write a note on Breton woods conference and its after effect on international economy.
11. Discuss the difference between balance of payment and balance of trade.
12. Write a note on European monetary system.

PART C(Answer *ANY TWO* questions)

(2 x 10 = 20)

13. Discuss the role of IMF in managing international liquidity.
14. Examine the circumstances under which the European Monetary Union was evolved and discuss its current status in the light of the economic crisis in some of the member nations.
15. Discuss the different modes of international investment in India and their role in foreign exchange balance of India.